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## MINUTES

### REGULAR MEETING OF THE HOUSING COMMISSION OF THE CITY OF ALAMEDA HELD WEDNESDAY, APRIL 19, 2006

The Commission meeting was called to order at 7:01 p.m., with Chair King presiding.

#### PLEDGE OF ALLEGIANCE

#### 1. ROLL CALL

Present: Commissioners Balde, Gormley, Trujillo and Chair King.

Absent: Commissioners Kurrasch and Tremain.

Executive Director Pucci introduced Commissioner Balde. Commissioner Balde was appointed on April 4, 2006 by the Mayor and is an Eagle Village tenant. He introduced the Housing Commission as well as Commissioner Torrey of the Board of Commissioners to Commissioner Balde.

#### 2. CONSENT CALENDAR

Commissioner Trujillo moved to adopt the Consent Calendar. Commissioner Gormley seconded. Motion carried unanimously. All items accepted or adopted are indicated with an asterisk.

- \*2-A. Minutes of the Housing Commission Special Meeting held March 22, 2006. Minutes accepted.
- \*2-B. Draft Minutes of the Board of Commissioners Regular Meeting held April 4, 2006. These draft minutes were for information only.
- \*2-C. Budget Variance Report. This report was accepted.
- \*2-D. Increasing the Payment Standard for Zero Bedroom (Studio) Vouchers. The Housing Commission increased the Payment Standard for zero bedroom vouchers from \$851 to \$900.

#### 3. AGENDA

- 3-A. Presentation on the Esperanza Youth Program. A presentation was made by George Phillips and Dan Ngyen from the Alameda Boys and Girls Club on the Esperanza Youth Program. The Commission had questions which were addressed. This report was for information only.
- 3-B. Authorizing the Chair to Appoint a Selection Committee for the Housing Choice Voucher Program Property Owners of the Year 2005. Chair King asked for volunteers for the Selection Committee. Chair King recommended Commissioners Kurrasch, Tremain, and Trujillo, with Commissioner Gormley as an alternate, to sit as a committee to select the two Property Owners of the Year 2005 for the Housing Choice Voucher Program.
- 3-C. Review of Budgets for Fiscal Years Ending June 30, 2007 and 2008. Executive Director Michael Pucci explained the Housing Commission adopted this budget at the March meeting. After the March meeting Mr. Pucci met with Chair King and went over the budget more thoroughly. A concern surfaced regarding how the deficits are being paid. The deficits are being paid with cash reserves. Mr. Pucci explained the budget

included in this packet is easier to read than the budget last month. He discussed the General Fund and the deficit. He said it is typical that the General Fund has a deficit. The General Fund consists of a few programs such as Playa Del Alameda and Managements Fees for FACSAs projects. He explained the expenses are not too bad and went on to describe EMP expenses at the Housing Authority office. Pre-development Admin Costs is for preliminary work to investigate purchasing the Alameda Hotel for a senior citizen facility. The General Fund reserves have enough to cover any deficits. In addition we are always trying to reduce deficits. Esperanza is a troublesome project because it is public housing which is under-funded by HUD. He discussed the reserves at Esperanza and spending on improvements. Mr. Pucci said we may opt-out of the public housing program at Esperanza and give tenants Section 8 vouchers. Rental income could be increased and tenants would still only pay 30 percent of their income for rent. This may be a greater benefit to tenants as they can take their voucher and move.

Chair King asked about vacant units. Mr. Pucci responded that we have to make sure the supply is going to meet the demand. Currently we don't have a demand for four-bedroom units, resulting in vacancies at Parrot Village. Esperanza does have five, five-bedroom units which are not easy to fill. Usually large families stay when they get a five-bedroom unit. Esperanza is mostly comprised of two and three-bedroom units.

Mr. Pucci stated Eagle Village had only three vacancies. Vacancies are easy to fill because Eagle Village is all two and three-bedroom units and does not have much turnover. At Parrot Village tenants were over-housed and when they were issued the proper Section 8 voucher they moved to smaller units.

Commissioner Gormley asked how HUD will respond to the conversion. Mr. Pucci stated the Housing Authority will do a financial study to show HUD the cost. The study would have to show that all the repairs that need to be done at Esperanza would be more expensive than if they gave us Section 8 vouchers. A physical needs assessment has been done which shows HUD this information. He said it may be cheaper to keep it as public housing.

Chair King questioned if we are preparing to address the surplus. Mr. Pucci said the Board of Commissioner requested a report on the surplus and the Housing Commission will receive a copy. He then went on to explain at the April 4<sup>th</sup> meeting the Board passed the budget recommended by the Housing Commission. Commissioner Matarrese asked what happened with the deficit experienced in 2004. Mr. Pucci said we still have the deficit but the program changed after fiscal year end June 30, 2004. With the new fiscal year the funding and rules changed. From that point on we have had a surplus, but cannot use it to pay the deficit from 2004. The surplus cannot be used for any other purpose other than Section 8 Housing Assistance Payments. The surplus is \$3.4M. Vouchers are being issued and we are entering into contracts with landlords to pay the Housing Assistance Payments. If rents increase we will be able to increase payment standards. He then discussed the other complexes and Section 8. All complexes have ample reserves. Equipment reserves will be ample. Interest is collected on the reserves. Reserves from Housing Authority Owned can be used to subsidize complexes.

Mr. Pucci said we are in good shape financially but we must make improvements for the future. HUD will not be supporting us like in the past, we must be more self-sufficient. We have a variety of choices.

This item was for information only.

- 3-D. Strategic Plan - 2005. Mr. Pucci explained the Strategic Plan was adopted in 2005. It is a five-year plan that started in 2005 through 2010. He would like to review the Strategic Plan with the entire Housing Commission. He also mentioned a Semi-Annual report is being prepared for the Commission and Board of Commissioners. The Semi-Annual report talks about our current involvement and the goals and objectives. The Strategic Plan report, including the Mission Statement, Vision Statement and Goals and Objectives, will be brought back to the Housing Commission at the May meeting to review with staff and provide direction as needed.

Mr. Pucci continued by referring back to agenda item 3C. Mr. Pucci wanted to emphasize that under Housing Authority Owned it does not break down by complex. He wanted to discuss how each complex is doing. He stated Stanford House, Lincoln Willow and the Senior Condos have never run in the black, they have always had deficits. Overall, we are well ahead of our budget but must look at the projects that are losing money. We will be project-basing Section 8, which means taking tenant based vouchers and attaching them to the units. Rather than having to track a tenant with a voucher a voucher will already be attached to the unit. A tenant can move in and pay 30 percent of their income for rent, then after a year they could take their voucher and move. The voucher also remains in place another tenant. It's a great program with new regulations issued in October and we want to get into this program. We can only do this on units that are eligible and explained eligibility.

The Strategic Plan proposes to sell off the Senior Condos when they become vacant. This proposal will go to the Board of Commissioners to authorize the sale of a unit. The money would be held in a trust for development or acquisition of new units. There is a lot of equity in the condominiums and we need to come up with more money to leverage the dollars we need for future development or acquisition. He went on to explain Parrot Village is running a deficit whereas Eagle Village is running a big surplus. The deficit is because of the vacancies and once they are filled this will produce a surplus for Parrot Village similar to Eagle Village.

Chair King mentioned an advertisement she saw for Parrot Village for the general public. Mr. Pucci explained people still have to be eligible. Chair King described an experience a person had applying. She asked for clarification, whether it is open to the public. Mr. Pucci explained they are affordable units and you must be income eligible with the right sized family. A more aggressive approach is being taken to rent these units. This is the first time we have advertised and used a property management firm. There may be other changes brought to the Commission in the future as we lease up these units. Some four-bedroom units have been converted to three-bedroom units.

4. ORAL COMMUNICATIONS

Michael Torrey, Esperanza resident, visited the Breakers at Bayport complex. He said they are very nice. He noticed a fire hazard, specifically a beam in front of the fire extinguishers. He asked if other units are getting fire extinguishers. He also described a tour he took in Santa Clara County. He explained the City is considering doing a similar mixed-use development with residential and retail space at Bayport. Commissioner Gormley also described the tour.

5. COMMISSIONER COMMUNICATIONS

Commissioner Trujillo asked about the Breakers at Bayport construction. Mr. Pucci said the Breakers at Bayport is about 99 percent complete. Mr. Torrey said the units are still vacant, no tenants are moving in yet. The John Stewart Company did the tenant selection and the application process is based. Mr. Pucci will notify the Commission when there is an open house, possibly in May. Mr. Pucci gave directions and said the Breakers consists of two and three bedroom units.

Chair King welcomed Commissioner Balde.

6. ADJOURNMENT

There being no further discussion, Chair King adjourned the meeting at 8:20 p.m.

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Garnetta King, Chair

Attest:

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Michael T. Pucci  
Executive Director / Secretary